
**PROPOSED DIVESTMENT OF CAMBRIDGE INDUSTRIAL TRUST'S ENTIRE STAKE IN
63 HILLVIEW AVENUE**

Cambridge Industrial Trust Management Limited, as manager of Cambridge Industrial Trust (**CIT**) and the manager of CIT, the **Manager**, is pleased to announce that CIT has divested (the **Divestment**) its entire stake in the freehold property located at 63 Hillview Avenue, Lam Soon Industrial Building, Singapore 669569 (the **Property**) for a consideration of S\$140.8 million (excluding divestment costs and applicable goods and services tax) (the **Sale Consideration**).

The Property is a freehold 10-storey light industrial strata-titled development comprising 154 strata warehouses and light industrial factory units. The stake in the Property being sold by CIT comprises 97 freehold strata units (the **Strata Units**), which make up approximately 69.4% of the strata share value in the Property.

The sale of the Strata Units has been effected by a series of conditional Option to Purchase Agreements (collectively, the **OTPs**). RBC Investor Services Trust Singapore Limited, in its capacity as trustee of CIT (the **Trustee**), has entered into the OTPs with the wholly-owned subsidiaries of QF Properties Pte. Ltd., which is in turn wholly-owned by EH Property & Investments Pte. Ltd. (**EH Property**). EH Property is jointly set up by Enviro-Hub Holdings Ltd (**Enviro-Hub**) and BS Capital Pte. Ltd. (**BS Capital**). Enviro-Hub is listed on the Main Board of Singapore Exchange Securities Trading Limited (the **SGX-ST**) and is one of the providers of total environmental management solutions for electrical, electronic and equipment industries. Mr Raymond Ng Ah Hua, a controlling shareholder and Executive Chairman of Enviro-Hub, is the sole owner of BS Capital.

The completion of the sale of the Property, subject to the fulfilment of certain conditions, is expected to take place within the later of (i) 12 weeks from the date of exercise of the OTPs or (ii) 2 weeks from the date of the satisfaction of the condition in paragraph 2(e) of the Appendix below (the **Completion Date**).

The sale of the Strata Units follows a lengthy process to secure an *en bloc* sale of the Property. This process was not successful and was discontinued with the lapse of the collective sale agreement. Since then, the Manager has pursued alternatives for the realisation of the value embedded in CIT's investment in the Property.

The Sale Consideration of S\$140.8 million represents a premium of approximately 28% above the current book value of CIT's entire stake in the Property of S\$110.0 million¹.

¹ Based on the valuation of CIT's entire stake in the Property by CBRE Pte Ltd as at 31 December 2012, being the most recent valuation commissioned by the Manager on behalf of CIT.

The sale proceeds from the Divestment will be used for the repayment of debt, acquisition opportunities, asset enhancement initiatives or developments and for working capital purposes.

CIT's investment in the Property is delivering a net property income yield of approximately 2.9% per annum based on the current book value of CIT's entire stake in the Property¹. The borrowings to be repaid by the sale proceeds have a current interest margin of approximately 3.0% per annum, resulting in a net increase to CIT's distributable income from the transaction². A calculation of the potential distribution impact is provided in the attached Appendix.

Strictly for illustrative purposes only, assuming that CIT completed the Divestment on 1 January 2012 and used approximately S\$140.0 million of the sale proceeds to repay debt on 1 January 2012, CIT's gearing ratio will be reduced to 30.4%³, which is at the lower end of the Manager's preferred range of 30.0% to 40.0%. This will provide increased capacity for future potential acquisitions to be funded from debt while maintaining the gearing ratio of CIT within the preferred range of the Manager.

Please refer to the Appendix to this Announcement for further details of the Divestment.

BY ORDER OF THE BOARD

Cambridge Industrial Trust Management Limited
(Company Registration No. 200512804G, Capital Markets Services Licence No. 100132-2)
As Manager of Cambridge Industrial Trust

Christopher Calvert
Chief Executive Officer and Executive Director

5 July 2013

¹ Based on the assumption that approximately S\$140.0 million of the divestment proceeds were used to repay debt.

² Based on the audited financial statements of CIT for the financial year ended 31 December 2012.

³ Based on the audited financial statements of CIT for the financial year ended 31 December 2012.

**APPENDIX TO ANNOUNCEMENT OF PROPOSED DIVESTMENT OF CAMBRIDGE
INDUSTRIALTRUST'S ENTIRE STAKE IN 63 HILLVIEW AVENUE**

1. SALE DETAILS AND CONSIDERATION

Property Description: 63 Hillview Avenue, Singapore 669569

Sale Consideration: \$140.8 million
(for the Strata Units)

Seller: CIT

Purchasers: Wholly-owned subsidiaries of QF Properties Pte. Ltd.
(collectively, the ~~the~~ **Purchasers**).

A deposit of S\$14,080,000 has been paid by the Purchasers to CIT and the balance of the purchase price of S\$126,720,000 shall be paid in cash at the completion of the Divestment.

2. CONDITIONS PRECEDENT

The Divestment is subject to the fulfilment of certain conditions precedent which include, *inter alia*, the following:

- (a) the completion of the sale and purchase of all the Strata Units simultaneously;
- (b) there being no unsatisfactory replies to legal requisitions sent by the various government departments;
- (c) there being no notice of acquisition or intended acquisition being served by relevant government department(s) on or before completion which materially affect CIT's entire stake in the Property;
- (d) (as long as the Purchasers remain an indirect subsidiary of Enviro-Hub), the approval of the shareholders of Enviro-Hub and of the SGX-ST (if required) being obtained on or prior to the Completion Date provided that the Purchasers shall use their best endeavours and exercise good faith in obtaining the necessary approvals. In the event the necessary approvals are not obtained on or prior to the Completion Date, BS Capital will procure that it (or its nominee) shall be the sole shareholder of the holding company of the Purchasers, on or prior to the Completion Date. Pursuant to a deed of undertaking executed by BS Capital in favour of the Trustee, as vendor, BS Capital has undertaken to the Trustee that BS Capital will procure that it (or its nominee) shall be the sole shareholder of the holding company of the Purchasers, such as to enable the Purchasers to proceed with the purchase under the OTPs according to the terms of the OTPs;
- (e) the approval of any lender to the Trustee, as vendor, being obtained and in the event that the aforesaid approval is not obtained by the expiry of 10 weeks from the date of exercise of the OTPs (or such other extended time as the Trustee, as vendor and the Purchasers shall mutually agree in writing), the OTPs may be rescinded at the option

of either party provided always that the Trustee, as vendor shall use its best endeavours and exercise good faith in obtaining approval from its lender. On rescission, the Trustee, as vendor shall forthwith refund to the Purchasers all monies paid by the Purchasers but without any interest, compensation or deduction whatsoever.

3. VALUATION

The current book value of the Property is S\$110.0 million. This is based on the valuation of CIT's entire stake in the Property by CBRE Pte Ltd as at 31 December 2012, being the most recent valuation commissioned by the Manager on behalf of CIT.

The Sale Consideration of S\$140.8 million is approximately 28% above the book value of CIT's entire stake in the Property and was arrived at through negotiations on a willing-buyer and willing-seller basis after taking into account the valuation of CIT's entire stake in the Property (the **Valuation Report**) and the recent market transactions of comparable properties within the vicinity.

4. USE OF SALE PROCEEDS

The Manager intends for the sale proceeds from the Divestment to be used by CIT for the repayment of debt, acquisition opportunities, asset enhancement initiatives or developments and for working capital purposes.

5. RATIONALE FOR AND BENEFITS OF THE DIVESTMENT

The Manager believes that the Divestment is in the best interests of the unitholders of CIT.

The Property is being sold at a premium to its current book value, thereby delivering a capital gain on sale for CIT of its entire stake in the Property.

The net property income yield for CIT's entire stake in the Property is approximately 2.9% per annum¹ based on the current book value of CIT's entire stake in the Property which is below the yield that the Manager believes will be achievable through the redeployment of the sale proceeds. The Manager intends to use the proceeds from the Divestment to retire debt which has an interest margin of approximately 3.0% per annum. The Manager also expects to invest in new property acquisitions, funded from the additional debt capacity that will then be available within the Manager's preferred gearing range for CIT. These future acquisitions are expected to have better yields compared to the Property. The sale of CIT's entire stake in the Property thereby delivers an immediate net income accretion for CIT with the prospect of further income accretion in following periods.

¹ Based on the assumption that approximately S\$140.0 million of the divestment proceeds were used to repay debt.

6. PRO FORMA FINANCIAL IMPACT FROM THE DIVESTMENT

Strictly for illustrative purposes only, the Manager has modelled the pro forma impact of the Divestment by assuming that CIT completed the Divestment on 1 January 2012. Assuming that all of the proceeds from the Divestment of approximately S\$140.0 million were used to repay debt on the same date, the pro forma financial effects of the Divestment are as follows:

- (a) increased the distribution per unit of CIT (%DPU+) for FY2012 by 0.060 cents, bringing the DPU to 4.844 cents;
- (b) increased the net tangible asset (%NTA+) per unit of CIT as at 31 December 2012 by 2.53 cents, bringing the NTA to 67.23cents; and
- (c) decreased the gearing ratio of CIT as at 31 December 2012 from 38.6% to 30.4%.

Assuming that all or a portion of the sale proceeds from the Divestment had been used for acquisitions having a yield higher than the debt that it was assumed was retired, the financial impact on the DPU would have been more than that set out in paragraph 6(a) above but the impact on gearing ratio would have been less than that set out in paragraph 6(c) above.

7. RELATIVE FIGURES AS SET OUT IN RULE 1006 OF THE LISTING MANUAL

The relative figures for the divestment as computed on the bases set out in Rule 1006 of the listing manual of the SGX-ST, based on the latest announced unaudited financial statements of CIT as at 31 March 2013, are as follows:

Rule 1006(a)	Net asset value of asset to be disposed of	S\$110.0 million
	Group's net asset value	S\$802.2 million
	Size of relative figure	13.7%
Rule 1006(b)	Net property income ⁽¹⁾ attributable to the Divestment (3 months)	S\$0.7 million ⁽²⁾
	Net property income of CIT Group (3 months)	S\$21.3 million ⁽²⁾
	Size of relative figure	3.5%
Rule 1006(c)	Aggregate value of consideration of the Divestment	S\$140.8 million
	Market capitalisation of CIT as at 4 July 2013	S\$882.8 million ⁽³⁾
	Size of relative figure	16.0%
Rule 1006(d)	Number of equity securities to be issued by CIT as consideration with the number of equity securities previously in issue.	Not applicable

Notes:

- (1) In the case of a real estate investment trust, the net property income is a close proxy to the net profits attributable to its assets.
- (2) Quarterly property income numbers for CIT for the quarter ended 31 March 2013.
- (3) CIT's market capitalisation as at 4 July 2013 (being the latest market day the units were traded preceding the date of this announcement) was approximately S\$882.8 million (based on the weighted average price of S\$0.7175 of the Units transacted on 4 July 2013).

8. INTEREST OF THE DIRECTORS AND CONTROLLING UNITHOLDERS

As at the date of this announcement, none of the directors of the Manager has an interest, direct or indirect, in the Divestment.

There are no controlling unitholders of CIT as at the date of this announcement.

9. DIRECTOR'S SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Manager in connection with the Divestment.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the OTPs and the current valuation report on CIT's entire stake in the Property may be inspected, with prior appointment, at the registered office of the Manager during normal business hours for a period of three months from the date of this announcement.

For further enquiries, please contact:

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About Cambridge Industrial Trust

Cambridge Industrial Trust ("CIT"), publicly listed on the Singapore Exchange Securities Trading Limited on 25 July 2006, is Singapore's first independent industrial real estate investment trust ("REIT").

CIT invests in quality income-producing industrial properties and has a diversified portfolio of 51 properties located across Singapore, with a total gross floor area of approximately 8.0 million sqft and a property value of S\$1.2 billion as at 31 March 2013. They range from logistics and warehousing properties to light industrial properties, which are located close to major transportation hubs and key industrial zones island-wide.

The Manager's objective is to provide Unitholders with a stable and secure income stream through the successful implementation of the following strategies:

- " Pro-active asset management;*
- " Acquisition of value-enhancing properties;*
- " Divestment of non-core properties; and*
- " Prudent capital and risk management.*

Cambridge Industrial Trust Management Limited, the Manager of CIT, is indirectly owned by three strategic sponsors, namely, National Australia Bank Group ("NAB") (56%), Oxley Group (24%) and Mitsui & Co., Ltd ("Mitsui") (20%):

- NAB, one of Australia's four largest banks, is an international financial services group that provides a comprehensive and integrated range of financial products and services;*
- Oxley Group is an innovative private investment house specialising in real estate and private equity investments across Asia-Pacific; and*
- Mitsui is one of the largest corporate conglomerates in Japan and listed on the Tokyo Stock Exchange. It is also one of the largest publicly traded companies in the world. Mitsui also developed the Japan Logistics Fund Inc., a publicly listed REIT in Japan dedicated to investing in distribution facilities.*

For further information on CIT, please visit <http://www.cambridgeindustrialtrust.com/>

Important Notice

The value of units in CIT (**Units**) and the income derived from them may fall as well as rise. Units are not investments or deposits in or liabilities or obligations of Cambridge Industrial Trust Management Limited ("**Manager**"), RBC Investor Services Trust Singapore Limited (in its capacity as trustee of CIT) ("**Trustee**"), or any of their respective related corporations and affiliates (including but not limited to National Australia Bank Limited, nablInvest Capital Partners Pty Ltd, or other members of the National Australia Bank group) and their affiliates (individually and collectively "**Affiliates**"). An investment in Units is subject to equity investment risk, including the possible delays in repayment and loss of income or the principal amount invested. Neither CIT, the Manager, the Trustee nor any of the Affiliates guarantees the repayment of any principal amount invested, the performance of CIT, any particular rate of return from investing in CIT, or any taxation consequences of an investment in CIT. Any indication of CIT performance returns is historical and cannot be relied on as an indicator of future performance.

Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that investors may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This release may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of occupancy or property rental income, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in amounts and on terms necessary to support future CIT business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

This release is for informational purposes only and does not have regard to your specific investment objectives, financial situation or your particular needs. Any information contained in this release is not to be construed as investment or financial advice, and does not constitute an offer or an invitation to invest in CIT or any investment or product of or to subscribe to any services offered by the Manager, the Trustee or any of the Affiliates.